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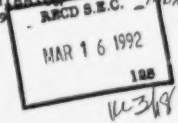
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549



10K

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended ....January 31, 1992...

MGL 2238

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from..... to .....

Commission file number...0-15451...

BEST COPY AVAILABLE

...PHOTRONICS, INC....
(Exact name of registrant as specified in its charter)

...Connecticut...	...06-0854886...
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

...P.O. Box 5226, 15 Secor Rd., Brookfield, CT... ..06804..
(Address of principal executive offices) (Zip Code)

...(203) 775-9000...
(Registrant's telephone number, including area code)

.....
(Former name, former address and former fiscal year, if changed)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ..X.. No .....

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at January 31, 1992
Common Stock, $.01 par value	5,258,812 Shares

PHOTRONICS, INC.
AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PHOTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

Assets	January 31, 1992 (Unaudited)	October 31, 1991
Current assets:		
Cash and cash equivalents	$7,058,964	$6,971,741
Short-term investments	9,428,490	12,941,184
Accounts receivable, less allowance for doubtful accounts of $70,000 in 1991 and 1992	5,309,624	5,879,109
Prepaid income taxes	--	293,428
Inventories	1,673,550	1,386,629
Prepaids and other current assets	656,119	426,101
Total current assets	24,126,747	27,898,192
Property, plant and equipment, net	19,314,244	17,096,823
Deposits on equipment	2,071,250	--
Other assets	3,857,380	2,855,132
	$49,369,621	$47,850,147

See accompanying notes to consolidated financial statements.

	January 31, 1992 (Unaudited)	October 31, 1991
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable:		
Trade	$3,057,801	$2,059,641
Other	--	708,000
Accrued liabilities		
Salaries	583,492	673,940
Other	205,853	257,102
Income taxes payable	342,908	--
Current portion of long-term debt	667,648	693,656
Total current liabilities	4,857,702	4,392,339
Long-term debt, less current portion	1,599,166	1,758,197
Deferred income taxes	2,147,759	2,141,971
Deferred rent and other liabilities	174,955	173,282
Total liabilities	8,779,582	8,465,789
Stockholders' equity:		
Preferred stock, $.01 par value; authorized: 2,000,000 shares; none issued and outstanding	--	--
Common stock, $.01 par value; authorized: 10,000,000 shares; issued: 5,349,812 shares in 1992 and 5,343,612 in 1991	53,498	53,436
Additional paid-in capital	24,874,836	24,849,198
Retained earnings	15,906,643	14,726,662
Less treasury stock, at cost	(244,938)	(244,938)
Total stockholders' equity	40,590,039	39,384,358
	$49,369,621	$47,850,147

See accompanying notes to consolidated financial statements.

PHOTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Earnings
(Unaudited)

	Three Months Ended January 31,	
	1992	1991
Net sales	$10,394,716	$9,224,314
Costs and expenses:		
Cost of sales	6,753,786	5,756,932
Selling, general and administrative	1,384,863	1,167,914
Research and development	666,723	600,508
Operating income	1,589,344	1,698,960
Gain on insurance settlement	--	874,156
Interest income	287,218	157,724
Interest expense	(32,881)	(59,033)
Other income	40	22,204
Income before income taxes	1,843,721	2,694,011
Income taxes	663,740	996,784
Net income	$1,179,981	$1,697,227
Net income per common and common equivalent share	$0.22	$0.37
Weighted average common and common equivalent shares outstanding	5,460,000	4,620,000

See accompanying notes to consolidated financial statements.

PHOTRONICS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)

Represented by Increases (Decreases) In Cash Flows

	Three Months Ended January 31,	
	1992	1991
Cash flows from operating activities:		
Net income	$ 1,179,981	$ 1,697,227
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	1,205,894	927,967
Gain on insurance settlement	--	(874,156)
Deferred income taxes	5,788	408,821
Changes in assets and liabilities:		
Accounts receivable, net	569,485	802,463
Inventories	(286,921)	(288,047)
Receivable from insurance settlement	--	(1,121,754)
Prepaid income taxes	293,428	--
Prepaids and other current assets	(230,018)	8,885
Accounts payable and accrued liabilities	148,463	(1,591,456)
Income taxes payable	342,908	(778,859)
Total adjustments	2,049,027	(2,506,136)
Net cash provided (used) by operating activities	3,229,008	(808,909)
Cash flows from investing activities:		
Additions to fixed assets	(3,411,421)	(860,503)
Proceeds from gain on insurance settlement	--	874,156
Deposits on equipment	(2,071,250)	1,800
Decrease (increase) in short-term investments	3,512,694	(79,809)
Increase in other investments	(996,201)	--
Other	(16,268)	(2,546)
Net cash used by investing activities	(2,982,446)	(66,902)
Cash flows from financing activities:		
Repayment of long-term debt	(185,039)	(192,789)
Proceeds from sales of common stock	25,700	16,008
Net cash used by financing activities	(159,339)	(176,781)
Net increase (decrease) in cash and cash equivalents	87,223	(1,052,592)
Cash and cash equivalents at beginning of period	6,971,741	6,652,646
Cash and cash equivalents at end of period	$ 7,058,964	$ 5,600,054
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 32,881	$ 59,033
Income taxes	$ 21,616	$ 1,366,822

See accompanying notes to consolidated financial statements.

PHOTRONICS, INC.
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
Three Months Ended January 31, 1992

(Unaudited)

1) **BASIS OF FINANCIAL STATEMENT PRESENTATION**

The consolidated financial statements of the Company included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission and, in the opinion of management, reflect all adjustments which are necessary to present fairly the results for the three-month period ended January 31, 1992 and 1991. Interim financial data presented herein are unaudited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations; however, management believes that the disclosures are adequate to make the information presented not misleading. This report should be read in conjunction with the consolidated financial statements and footnotes as of October 31, 1991, which give a complete discussion of these matters.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Material Changes in Results of Operations
Quarter Ended January 31, 1992 versus January 31, 1991

Net sales for the quarter ended January 31, 1992 increased 12.7% to $10,394,716 as compared to the same period last year. This increase is primarily attributable to growth in demand from existing customers as well as the addition of new customers.

In the quarter ended January 31, 1992, cost of sales increased 17.3% from the same period last year. This increase is primarily attributable to the increase in net sales. As a percentage of sales, cost of sales increased to 65.0% in the quarter ended January 31, 1992 as compared to 62.4% for the same period last year primarily due to higher overhead costs associated with substantial renovations and improvements completed at the end of fiscal 1991, equipment additions and higher staffing levels.

Selling, general and administrative expenses increased 18.6% in the quarter ended January 31, 1992 as compared to the prior year. As a percentage of net sales, selling, general and administrative expenses increased to 13.3% compared to 12.7% for same period last year. This increase is primarily attributable to the addition of office space and general increases in wages and other expenses.

Research and development expenses in the first quarter of fiscal 1992 increased 11.0% from last year's first quarter, and as a percentage of sales declined slightly.

In the quarter ended January 31, 1991, the Company recorded a gain of $874,156 due to the partial settlement of its insurance claim from the fire the Company experienced in June 1990.

In the quarter ended January 31, 1992, interest and other income increased by 59.7% compared to the same period last year. This increase is attributable to the increased cash levels available for investing in interest bearing instruments in fiscal 1992. Interest expense in the quarter ended January 31, 1992 decreased 44.3% as compared to the same period last year due to decreased debt and lower prevailing interest rates.

For the first quarter of 1992, the Company had an effective tax rate of 36.0% as compared to 37.0% in the same period last year.

As a result of the above factors, the Company recognized net income in the quarter ended January 31, 1992 of $1,179,981, or $0.22 per share, as compared to $1,697,227, or $0.37 per share, for the same period last year. Excluding the gain from the insurance settlement, net income for the first quarter of fiscal 1991 was $1,146,509, or $0.25 per share. Earnings per share

during the current period was significantly affected by increases in the weighted average shares outstanding, as these figures increased substantially over the year earlier period principally due to the Company's public offering of its common stock in May 1991.

Liquidity and Capital Resources

In the first quarter of fiscal 1992, the Company's liquidity declined slightly due to additions to fixed assets, deposits paid on equipment and an increase in other investments, partially offset by the results of operations. As a result of these and other transactions, the Company had a net decrease in cash, cash equivalents and short-term and other investments of $2,423,223.

As of January 31, 1992, the Company had commitments for the purchase or lease of capital equipment with an acquisition cost of approximately $11,500,000, some of which will be acquired in fiscal 1992 and against which the Company had made deposits of $2,071,250. The Company will use its working capital, bank borrowings and leases to finance such investments. The Company has a commitment for up to $16,500,000 of financing available over a three-year period. Further, the Company believes that it has the capacity for substantial growth and that internally generated funds combined with bank borrowings and leases will fulfill its cash requirements for the foreseeable future.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports of Form 8-K

(b) During the quarter for which this report is filed, no reports on Form 8-K were filed by the Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHOTRONICS, INC.
(Registrant)

By: _____
Michael J. Yomazzo
Executive Vice President
(Duly Authorized Officer and
Principal Financial Officer)

Date: March 13, 1992

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